



General Assembly

Substitute Bill No. 5224

February Session, 2012

* ____HB05224FIN__041612__ *

AN ACT ESTABLISHING AN URBAN REVITALIZATION PILOT PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) The Commissioner of
2 Economic and Community Development, in consultation with the
3 Connecticut Housing Finance Authority, shall establish an urban
4 revitalization pilot program to foster the revitalization and
5 stabilization of urban neighborhoods by facilitating the acquisition and
6 renovation of one to four-family homes and prioritizing owner-
7 occupancy of such homes. Such program shall be implemented in not
8 less than five distressed municipalities, as defined in section 32-9p of
9 the general statutes. The commissioner may contract with a state-wide
10 nonprofit organization to administer the program.

11 (b) The goal of the program shall be to increase homeownership in
12 targeted neighborhoods containing high proportions of one to four-
13 family homes, giving priority to promoting owner-occupancy in
14 buildings that are for sale, vacant, deteriorated, in foreclosure, bank-
15 owned or investor-owned. The program administrator shall target
16 neighborhoods in which concentrated resources can have a substantial
17 impact on revitalizing and stabilizing the surrounding community.
18 The program administrator shall recruit community stakeholders to
19 provide active support for the program, including local banks, local

20 boards of realtors, neighborhood revitalization zone committees,
21 community-based organizations, community development financial
22 institutions and similar entities. The program administrator shall, as
23 necessary to accomplish program goals:

24 (1) Draw on diverse public and private funding sources and
25 programs, including foundations, local loan funds and programs
26 administered by departments or agencies other than the Department of
27 Economic and Community Development, including the Connecticut
28 Housing Finance Authority, the Clean Energy Finance and Investment
29 Authority and the Energy Efficiency Fund, and use public funds to
30 leverage private resources;

31 (2) Provide financing or investment to support property purchase,
32 rehabilitation, construction, demolition, energy efficiency and aesthetic
33 improvements, including provision of financial products that promote
34 homeownership, such as down payment assistance, and identify other
35 financial resources to support such activities;

36 (3) Offer incentives to investors to develop tenants into owners,
37 apply income restrictions to housing units in order to ensure
38 affordability, and conduct energy efficiency improvements in order to
39 meet weatherization goals;

40 (4) Identify and coordinate access for program participants to rental
41 assistance and foreclosure prevention resources and to other resources
42 that will increase homeownership, stabilize or decrease occupancy
43 costs and stabilize neighborhoods;

44 (5) Provide assistance to individuals who are or who will become
45 homeowners and to nonprofit and for-profit entities that will purchase
46 and rehabilitate properties to sell to individuals who will become
47 homeowners;

48 (6) Provide support services for program participants who are or
49 who will become homeowners so as to maximize the likelihood of their
50 success in maintaining homeownership on a long-term basis, including

51 training in skills necessary to be an effective landlord and assistance in
52 resolving problems that may arise after closing on a home;

53 (7) Identify and structure incentives to encourage participation in
54 the program by lenders, investors and developers with a goal of
55 promoting homeownership; and

56 (8) Assist program participants in locating purchase financing and
57 counseling before and after any purchase and direct such participants
58 to programs that provide deferred, low or no interest or forgivable
59 loans, including the Rental Housing Revolving Loan Fund established
60 pursuant to section 8-37vv of the general statutes.

61 (c) Any person who receives assistance through the program
62 established by this section to purchase a home shall agree (1) to occupy
63 such home or a unit in such home as such person's primary residence
64 for not less than five years, or (2) to transfer such home to a person
65 who will agree to occupy such home or a unit in such home as such
66 person's primary residence for not less than five years. Priority for
67 participation in the program may be given to persons who will become
68 first-time homebuyers and to persons who are living in a
69 neighborhood targeted by the program.

70 (d) The Commissioner of Economic and Community Development,
71 in consultation with the Connecticut Housing Finance Authority, shall
72 establish the parameters of the program not later than October 1, 2012,
73 and shall designate not less than five municipalities to participate in
74 the program not later than January 1, 2013. The commissioner, in
75 accordance with section 11-4a of the general statutes, shall submit the
76 following to the joint standing committee of the General Assembly
77 having cognizance of matters relating to housing: (1) A status report
78 on the program not later than February 1, 2013; (2) an interim report on
79 the program not later than January 1, 2014; and (3) a final report on the
80 program not later than January 1, 2015.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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FIN *Joint Favorable Subst.*